

~~SECRET~~



# WHAT'S NEWS

at CIA

July 27, 1995

No. 231

## SPECIAL ISSUE ON GUATEMALA

### Inspector General Reports on Investigation on Guatemala

The CIA Inspector General has completed a seven month investigation of allegations concerning Agency activities in Guatemala. This investigation included the review of over 50,000 pages of material and interviews of over 200 individuals, including present and former DCI's, DDO's, Ambassadors, State Department officials, and staff members of the Senate and House intelligence oversight committees.

The result is a final Report of Investigation consisting of findings, conclusion and recommendations for both systemic and administrative actions to be taken by the Director of Central Intelligence.

#### The major conclusions:

- No evidence has been found that any employee of the Central Intelligence Agency in any way directed, participated in, or condoned the murder of Michael DeVine.
- No evidence has been found to indicate that Agency personnel in any way directed, participated in, or condoned the capture, torture, subsequent disappearance, and possible death of Efraim Bamaca.
- No evidence has been found to indicate that any Agency employee encouraged, participated in, condoned, or concealed any action that constituted a potential violation of US criminal law.
- Reports received by the Agency that persons with whom the CIA had contact were involved in that murder or possible death were found by the Inspector General to be seriously flawed.

APPROVED FOR RELEASE  
DATE AUG 1998

~~SECRET~~

# 301

#37

- No evidence has been found to indicate that any Agency employee knowingly misled the congressional oversight committees or deliberately decided to withhold information from them.
- No evidence has been found to indicate that any Agency personnel made any effort to remove, dispose of, or destroy classified Agency documents to avoid any investigation.
- No evidence has been found to indicate that any Agency employee deliberately withheld any information relating to the DeVine case from the Department of Justice.

The investigation concluded that CIA was performing its mission in Guatemala subject to legitimate intelligence requirements from US Government policymakers for information concerning human rights issues in Guatemala; the status of the insurgency in Guatemala; and narcotics trafficking in Guatemala. These Agency activities were conducted under well-established Executive Branch guidelines and congressionally approved programs. In order to acquire the needed intelligence, the Agency was required to associate with individuals in Guatemala who had direct knowledge about those issues.

When the Agency acquired information alleging that persons with whom it had contact may have been involved in the death of Michael DeVine, it ended that contact and referred the information to the Department of Justice. These actions were taken even though there existed a substantial basis for questioning the credibility of this information.

The investigation also concluded that certain Agency officers did not meet the Agency's professional standards for accurate and timely reporting of intelligence. Agency reporting on the DeVine and Bamaca cases was a major factor in US diplomatic demarches to the Guatemalan Government. Nonetheless, two key reports about the death of Michael DeVine and the capture and fate of Efraim Bamaca were flawed, the Inspector General concluded, with the result that policymakers were unintentionally misled. Appropriate review of the information available to Agency officers at the time would have raised very serious doubts about the factual basis of the reports.

Further, the investigation determined that the Agency did not meet its responsibilities to keep the congressional intelligence oversight committees fully and currently informed. Agency officers intended that the Congress should be informed of various reports relating to matters of interest to the committees but failed to follow through. As a result of management inattention, congressional notification was delayed for over three years with

~~SECRET~~

regard to one such report. However, no evidence has been found to indicate that any Agency personnel advocated not notifying Congress or made a decision not to do so. No satisfactory explanation has been provided as to why the committees were not notified, but those involved state it was forgotten in the course of events when no one took clear responsibility to ensure it was done.

The investigation also found that the US Ambassadors to Guatemala were not kept appropriately informed about what the Agency knew regarding various aspects of the DeVine and Bamaca cases. On several occasions, based upon apparent concern for protection of sources or Agency equities, Agency personnel failed to exercise good judgment in determining what should be told to the US Ambassadors in Guatemala.

Finally, the analysis that the Agency provided to various officials about these matters was incomplete in certain respects. Agency analysts were not provided, or did not use, all available information from Agency reports in assessing Alpirez's role in the DeVine and Bamaca cases.

The Inspector General has made recommendations to the Director concerning personal accountability on the part of certain Agency officers and for changes in Agency practices and procedures. Excerpts from the DCI's statement on how he intends to address these recommendations appear on pages 4-6 of this issue. (*This is UNCLASSIFIED.*)

#### White House Issues Statement on Guatemala

*White House Press Secretary Mike McCurry released a statement on July 26 regarding the CIA IG's investigation of Guatemala and the ongoing review by the President's Intelligence Oversight Board. The paragraphs below are excerpts from the press statement.*

On March 30, 1995, the President directed the Intelligence Oversight Board to conduct a government-wide review concerning allegations surrounding the 1990 death of American citizen Michael DeVine and the 1992 disappearance of Guatemalan guerrilla leader Eirain Bamaca Valasquez and related matters. Under terms of reference issued on April 7, 1995, the scope of the inquiry also covers any intelligence bearing on the deaths, disappearance or abuse of US citizens in Guatemala since 1984....

Because other agency investigations and the IOB's review are not yet complete, the IOB reserves judgment on the CIA IG's findings, conclusions and recommendations. The IOB believes, however, that the report's key

3  
~~SECRET~~

~~SECRET~~

findings of fact are substantially consistent with what the IOB has so far independently found. Most importantly, the IOB is presently aware of no information indicating that CIA officials were involved in the abduction and murder of Michael DeVine or the reported torture and execution of Efraim Bamaca Valasquez....

The IOB concurs with the CIA IG's conclusion that the CIA's performance in notifying Congress was inadequate and agrees that the CIA should establish a new system to ensure adequate Congressional notification. Similarly, the IOB agrees that the CIA Headquarters and station did not keep ambassadors appropriately informed in several important instances....

Once all the agencies have provided their reports to the IOB and the IOB's independent review is complete, the IOB will present to the President a comprehensive report addressing the full terms of reference, including the overall US intelligence relationship with Guatemala in a changing landscape, the coordination of intelligence and policy, the remaining identified victims, the notification of families, and management issues. (*This is UNCLASSIFIED.*)

Excerpts from the Statement by the Director of Central Intelligence  
on Guatemala Before HPSCI, July 25, 1995  
(Read by Jeffrey H. Smith, General Counsel)

I have reviewed the CIA Inspector General's report on intelligence activities in Guatemala, dated 15 July. I commend the Inspector General for this work. I am not pleased to read criticism of any part of the Agency, but as I have said before, when we have done something right, we should be proud; when we have done something wrong, we must acknowledge mistakes and act promptly to correct them....

I report to you today actions I will take in response to these recommendations. I wish to emphasize that these are initial decisions. Final action that may go further than the Inspector General recommendations in some areas must await consultations with my CIA and State Department colleagues. When I have made all of my decisions, including any disciplinary measures, I will make a final report to you....

Congressional Notification. The Inspector General concludes that, in the past, there has been an institutional predisposition at CIA against sharing information with Congress. Let me assure you that I have taken and will continue to take steps to ensure that Oversight Committees are fully and currently informed of all intelligence activities.

4  
~~SECRET~~

~~SECRET~~

I will shortly issue new, detailed guidelines and will be taking other measures, along the lines recommended by the Inspector General to ensure that we keep Congress fully and currently informed.... I also intend to adopt the Inspector General's recommendation that each Deputy Director and head of independent office conduct a quarterly review to determine whether all employees under their direction have reported to the Oversight Committees.

Ambassadorial Notification. I intend to issue new guidance concerning the responsibilities of the Chief of Station to keep the Ambassador informed, [REDACTED]

[REDACTED] I will consult with Secretary of State Christopher on this matter.

Selection of Chiefs of Station. I shall instruct the CIA Executive Director for issue a new state of standards for the process of selecting Chiefs of Station and to ensure that the new policy is followed.

[REDACTED]

Collection and Reporting Responsibility. Accurate reporting is fundamental to the success of the intelligence process. Regulations cannot solve this problem. Only management attention in day to day operations can ensure reliability. I expect and require no less.

Human Rights Reporting. I have asked the General Counsel to review our internal procedures for assessing and acting on assets who may have violated human rights or US law. These procedures are especially necessary because the most desirable potential assets frequently have serious problems.

[REDACTED]

[REDACTED] We do not condone any actions that may violate US criminal law, and we will continue to report such information to the FBI and the Department of Justice, as we did in this case.

Analytical Functions. I agree with the Inspector General that Directorate of Intelligence analysts should have greater access to [REDACTED] when such interaction will serve to strengthen the intelligence product. As part of the new partnership program between the Directorates of Operations and Intelligence analysts have been given improved access, although I do believe

5  
~~SECRET~~

there are occasions when greater access is warranted. I expect the new Deputy Director for Operations and Deputy Director for Intelligence to work to remove remaining barriers. The Directorate of Intelligence must also continue its emphasis on improved analytic tradecraft to ensure that major conclusions are supported by a strong evidentiary base.

DO Records System. I am directing the CIA Executive Director to initiate a major investment program to modernize Directorate of Operations records keeping and to involve Counterintelligence fully in this effort.

Accountability. I have asked the Executive Director, General Counsel, and the Chief of Staff to review recommendations concerning accountability of specific Agency employees and report their findings to me.

These changes will improve the CIA. The Inspector General Report does not criticize the heart of the Intelligence Community's mission and functions, which continue to be essential for the Nation and to reflect the dedication and skill of its employees. (*This is ~~SECRET~~.*)

Produced by the  
Agency Information Staff

